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# **‘They have God on their side’: the impact of public sector attitudes on the development of social enterprise.**

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## **ABSTRACT**

Britain's Labour government is committed to the development of social enterprise. Based on interviews with key stakeholders in the public sector in a sub-region of the North East of England, this article shows that social enterprises are not yet fulfilling their potential because they lack the support and trust of key stakeholders. The article shows that this emanates from a deeply embedded discourse in the public sector which, on one hand, is sympathetic to the social enterprise sector's willingness to affect change in communities facing multiple deprivation. But on the other is mistrustful of such organisations' capability to deliver services in a professional and businesslike way. These pervasive views, arise from an assumption that because social enterprises are 'value led' their ability to become sufficiently professional and business-like in their organisational practices is weakened.

## INTRODUCTION

Over the last few years, Britain's Labour government has become increasingly committed to the development of the third sector in general and 'social enterprise' in particular (Mulgan and Landry, 1995; Leadbeater, 1997; Dunn and Riley, 2004; Morrin, *et al.*, 2004). A key attraction of supporting the sector, in government terms, arises from the assumption that social enterprises are often better placed to deliver services in some areas of activity than the private or public sectors. It is argued that social enterprises are well placed to help people in hard-hit communities by providing, services, jobs and role models of successful community engagement (see Allan, 2005; Office of the Third Sector, 2006a, 2006b; HMTreasury/Cabinet Office, 2006). In this sense, social enterprises have a central role to play in a number of government initiatives (such as, for example, the *National Strategy for Neighbourhood Renewal*, *Creating Sustainable Communities* and the *Local Enterprise Growth Initiative*). Government also recognises that social enterprise may be an effective way of delivering health services: the NHS has now established its own *Social Enterprise Unit* to support organisations which wish to tender for such work (see Department of Health, 2006).

The research findings presented in this article support the view that social enterprises are 'value led' and also 'market driven' (see Westall, 2001). Despite this, we show that the potential of the sector to make a significant contribution is hampered to some extent by weaknesses in management and strategic planning (see also, Paton, 1992). Consequently, social enterprises cannot be expected to flourish without the support and trust of the public sector. Lack of trust, we show, emanates from a deeply embedded discourse in the public sector which on the one hand is sympathetic to the social enterprise sector's willingness to affect change in communities facing multiple deprivation; but on the other, is mistrustful of the sector's ability to deliver services in a professional and businesslike way (see also, Frumkin and Andre-Clarke, 2000; Dart, 2004a; Austin, *et al.*, 2006). We find that this mind-set, which may be held by many public sector officers, especially at local authority level, puts barriers in the way of the successful development of the sector.

## RESEARCH CONTEXT AND METHODOLOGY

This article reports upon a study based in Tees Valley. Tees Valley is the southernmost sub-region in the North East of England. It is made up of 5 unitary authorities: Darlington, Hartlepool, Middlesbrough, Stockton-on-Tees, and Redcar and Cleveland. The sub-region has a population of 653,000, which represents about one quarter of the total population of the North East (TVJSU, 2006). Like other areas in the North East, Tees Valley has suffered from a decline in its traditional industries over the last three decades. Statistics on economic and social well-being in Tees Valley demonstrate that this is one of the least prosperous sub regions in the country: the area has 45 wards in the top 10 per cent of wards nationally in the 2004 Index of Multiple Deprivation (TVJSU, 2006, for a detailed account of Tees Valley's social and economic characteristics, see Chapman, *et al.* 2006b).

This article draws on previously unpublished data drawn from a research project which aimed, firstly, to assess the size, shape and scope of the social enterprise sector for Tees Valley Partnership (Chapman, *et al.*, 2004). The second element of the study involved in-depth qualitative interviews with eighteen key stakeholders across Tees Valley. The aim of this phase of the research was to explore potential barriers to the development of the sector. Interviews were carried out with local authority economic regeneration officers and lead local strategic partnership

managers across the five borough councils, together with key players at regional and sub-regional level with broad responsibilities for economic and social development. The initial purpose of this research was to inform the generation of a draft policy for social enterprise development in Tees Valley. In this article, we report in more depth on the findings from the qualitative research.

Each two hour interview explored: (1) perceived differences in the culture of the social enterprise sector compared with private business and the public sector; (2) representation of the sector in key fora in the sub-region; (3) the potential for developing entrepreneurship and foresight in the sector; and (4) opinions on the level of support required for capacity building. Prior to the interview a copy of the interview schedule and key findings from the mapping exercise were sent to each interviewee to allow them to prepare for the interview and to collect any relevant information. Due to the political sensitivities surrounding the topic of discussion, it was decided that interviews should not be tape recorded. Instead, handwritten notes were taken and respondents were reassured that all attributable interview material would be kept in confidence. The data were analysed using data reduction methods (Strauss, 1987) to enable comparisons to be made while preserving the uniqueness of the views and experiences of each participant. A cross case analysis was also carried out (Miles and Hubermann, 1994).

## **CHARACTERISTICS OF THE SOCIAL ENTERPRISE SECTOR IN TEES VALLEY**

According to the North East Social Enterprise Partnership (NESEP, 2003) there is a long history of social enterprise activity in the North East. Our mapping exercise of Tees Valley (see Chapman *et al.* 2004) demonstrated that over 60 per cent of social enterprises had been in existence for more than five years, almost a half of which had been operating for more than 20 years. Social enterprises in the area varied in size. In employment terms, the number of staff ranged from only one person to more than 500; but the majority employed between 5-15 full and part-time staff. Most full-time posts were temporary due to the sector's heavy dependence on short-term funding. There is a heavy reliance on volunteers; indeed, one organisation had 800 volunteers: but the majority relied on a core group of supporters to help manage the day-to-day delivery of services.

In Tees Valley, as elsewhere, social enterprises were typically established in response to discrete community needs and are driven primarily by social aims. More than half of the organisations had been established to meet needs which were not tackled by mainstream services or other parts of the third sector. Examples include: providing employment; palliative or respite care; training, skills and confidence building; localised accommodation needs; advocacy; and, advice, information and guidance. Often, social enterprises dealt with a range of issues which were focused on the regeneration of the area within which they operated. In some cases this involved the provision of a focal point for community activity.

Most social enterprises remained firmly committed to the activities for which they had initially been established to provide. However, there was also evidence of diversification of activities, and in some cases the geographic spread of their operation had widened. Half of the social enterprises operated within the boundaries of a single local authority area (a third of these worked in a closely defined locality, such as a housing estate). Trading was the principal source of income for half of the social enterprises studied. The remainder were heavily reliant on grants to sustain core operations. Funding was accessed from many sources, including: public monies from the Regional Development Agency, local authorities, European Social Fund

(ESF), European Regional Development Fund (ERDF), government funded agencies such as Primary Care Trusts (PCT) and Learning and Skills Councils (LSC). Many organisations were supported by public donations together with sponsorships from charities and businesses. Grants from charitable foundations (such as the Northern Rock Foundation, Millfield House, Esmée Fairbairn, amongst others) represented important sources of income. Fundraising and the management and monitoring of funds were key work activities within the social enterprise and were costly in terms of staff resources (for a more detailed account of patterns of third sector funding in the North East, see, Chapman *et al.* 2006a).

Funding was used to employ staff; purchase capital equipment and property; and enabled the development of new services. Levels of dependence on such funding varied across the sector with 17 per cent of social enterprises stating that such funds were essential for their survival. At the other end of the spectrum, many of the larger and longer established social enterprises (27 per cent of the sample) reported that the withdrawal of such sources of financial support would not have long-lasting impact on their activity.

The majority of social enterprises were ill-prepared for future planning. More than half of the organisations studied stated that a key objective was to ensure long-term sustainability and growth. And yet, 32 per cent of organisations reported that no formal strategic planning process was currently in place. Limited attention to strategic planning cannot, however, be explained wholly on the lack of business or management experience. Indeed, 78 per cent of social enterprises employed staff with senior managerial experience or experience of running a small business. Where support was sought for business planning, 35 per cent gained this from Business Link Tees Valley. For the most part, however, business support was gained informally through networking with similar organisations. This process was facilitated by events organised by umbrella organisations such as NESEP. Additionally, 73 per cent of organisations had informal relationships with other social enterprises in the immediate locality or with those offering similar services to their own.

In many social enterprises, strategic planning was hampered by the existence of tension between Management Boards and operational managers (see also Abzug and Galaskiewicz, 2001; Brown and Iverson, 2004). Almost 40 per cent of managers stated that they did not receive sufficient support from their Board. Indeed, in many instances Management Committees and Boards presented a barrier to planning, change and development, particularly where a more commercial approach was mooted by operational managers. This is because Board members felt that such commercial activity detracted from the original aim of the social enterprise. As Foggin Brown (2002) has shown, Boards of Directors or Management Committees are often characterised by their well-meaning altruistic or ideological commitment to the social aims of the organisation, but often lack key skills, sustained time commitment and the business acumen to provide appropriate enterprise support. This problem may be endemic to the third sector where social values hold primacy over business values – even if, paradoxically, business orientation is a key factor in achieving these social aims. As Moore (2000) has suggested, all organisations need strategies to remain purposeful and effective and, through the development of a competitive edge, can become more sustainable (see also, Porter, 1996).

It is not surprising, given the identified lack of governance and planning in social enterprises, that investment of time and resource in management training was limited and that the only area of regular support to managers was in fundraising (see also, Low, 2006). Lack of investment in management training was compounded by high

levels of turnover of key employees due to their relatively insecure employment status caused by short-term contracts. In sum, this research demonstrated that in spite of these problems, the sector was growing in Tees Valley, but the mapping exercise demonstrated that potential for further growth was constrained by lack of public sector support.

## **PUBLIC SECTOR ENGAGEMENT WITH SOCIAL ENTERPRISE**

For some time now, central government departments have been developing strategies to increase the level of engagement between local authorities and the third sector (see: Office of the Third Sector, 2006a, 2006b; HM Treasury/Cabinet Office, 2006). At the time when this study was undertaken, government policy was defined most clearly in the Treasury's *Cross Cutting Review on the Voluntary Sector* (2002) which addressed strategies to involve third sector organisations in the delivery of local services. Drawing upon the work of Billis and Harris, (1996) the review argued that the voluntary sector may have inherent structural advantages over the public sector or private sector because they can respond more sensitively to 'states of disadvantage' experienced by service users (see end note 1). The Treasury concludes that voluntary and community organisations can deliver services better because of:

1. 'specialist knowledge, experience and/or skills (i.e. direct knowledge or experience of problems, i.e. drugs, caring etc);
2. particular ways of involving people in service delivery whether as users or self-help/autonomous groups (i.e. working with friends and families as well as problematised individuals);
3. independence from existing and past structures/models of service (i.e. can be innovative, not bound by red tape);
4. access to the wider community without institutional baggage (i.e. not 'the council' etc);
5. freedom and flexibility from institutional pressures (i.e. they are user centred not organisationally centred)' (2002: 16-17).

While the Treasury review pays only limited attention to social enterprise, the DTI, through the work of its Social Enterprise Unit (SeU), has outlined how government intends to achieve its aims by (amongst other things): 'Promoting a better understanding of social enterprises among local authorities and other parts of the public sector, so that they recognise the opportunities for delivering their objectives through social enterprises and open up opportunities for them' (DTI, 2003: 31, see also: DTI, 2002, 2005). In parallel with these developments, The National Procurement Strategy for Local Government set out a three-year plan for 2004-2006 to increase the amount of work contracted out. Whilst this strategy does not focus solely on social enterprise, it highlights the specific needs of this sector.

The question is, how successful has central government been in transforming the way that local authority officers think about social enterprise? We asked public sector stakeholders to express opinions on the values, aspirations and organisational capabilities of social enterprises in Tees Valley. Most respondents found it difficult to muster a clear definition of the sector and were unaware of the strength and depth of sectoral activity in Tees Valley. It was also immediately apparent from interviews that attitudes were strongly affected by the respondents' direct interaction with members of the social enterprise sector, rather than a more measured evidence based assessment of the sector as a whole.



In Exhibit 1, we present two sets of responses from respondents on, firstly, perceptions of the prevalent value systems in the sector; and secondly, views on the business orientation of social enterprises. The first set of responses clearly indicate, on the surface at least, that public sector stakeholders have a broadly positive view on the value systems of social enterprises. It was widely recognised that social enterprises are driven by social values; aim to be inclusive by being closely involved in the communities within which they work; and, that they want to make a positive difference to those communities.

**Exhibit 1 Stakeholder perceptions of social enterprises**

<b>Comments on the value system of social enterprises</b>	<b>Reflections on how the value system of social enterprise affects businesslike orientation</b>
'they are agents of social change' 'they want to make a difference' 'they give hope and opportunity' 'they have God on their side' 'they are socially responsible' 'they are ethically and value driven' 'they feel from the heart' 'they are inclusive' 'they are hands-on'.	'they focus on the social rather than the enterprise' 'they lack business acumen' 'it is a hobby not a job' 'they're scared of becoming business like' 'they're not geared up to trade' 'they need to be more strategic' 'they're not into the business mindset' 'they work in a comfort zone' 'they are risk averse'.

Supportive though these comments appear, some can be interpreted as barbed compliments. For example, when respondents commented that the leaders of social enterprises felt that they had 'God on their side' or that they 'feel from the heart', a negative point was being made about their tendency to try to win arguments over gaining funding, representation on public bodies or other forms of support for their organisation on the grounds that they did 'good work'. Many stakeholders expressed impatience with this tendency, firstly on the grounds that there was no real limit on the amount of good work which could be done; and secondly, because so many organisations attempted to make the same kinds of claims on public resources. It was also clear to us, however, that expressions of exasperation with such claims were not limited to the leaders of social enterprises as such, so much as with leaders from other voluntary and community organisations in general.

The second column in Exhibit 1 lists a number of comments on the way that the value systems of social enterprises are presumed to impact on their orientation to business practice. In broad terms, these data suggest that there is a common belief that social enterprises are not business oriented for three principal reasons: (1) that business activity is 'cushioned' by public money, (2) that organisations are 'risk averse', and (3), that they are 'amateurish' or 'playing' at business. We will now deal with each of these assertions in turn.

Key stakeholders generally assume that social enterprises cannot be fully business-like because their activity is in some sense 'cushioned' by the kind of funding arrangements they operate within. While it was recognised that short-term funding from grants or contracts could be disadvantageous in planning terms, the general feeling was that core funding support weakened entrepreneurial zeal. In making such claims, many respondents sought to make comparisons with small and medium sized

business enterprises (SMEs). SMEs, it was felt, had to operate in an open and competitive market where there was no real scope for the 'luxury' of gaining public funding support. The presumed consequence of this was an increased incentive to plan for and to meet market needs head on in a professional and business-like way. While we did not challenge respondents on this issue in interview, it may be the case, that such an interpretation of imbalanced financial support for business is mistaken - especially in the Tees Valley sub region where business benefits directly and indirectly from substantial government investment in economic regeneration.

The perception of poor business planning, strategy and acumen in social enterprise is, of course, supported to some extent by the findings already presented in this article. However, the interviews suggested more than this: that social enterprises could not fully engage in businesslike behaviour because they were value oriented (see also, Dart, 2004b). In other words, it was assumed that they had to be one or the other – *value led* or *market driven* – they could not be both.

A second related assumption is that social enterprises are 'risk averse' and lack a competitive edge. Respondents did recognise that leaders of such organisations were 'enterprising' in the sense that they competed tenaciously for public funds and that they had highly developed political skills which enabled them to be innovative in meeting the objectives of a range of funding streams. In this sense a degree of professionalism was recognised: as one respondent observed, '*the sector is professional – just in a different way*'. When discussing formal business contracts, by contrast, respondents marshalled examples to argue that the quality of tenders were generally poor compared with the private sector and many could recite examples of social enterprises which they felt had failed to deliver fully.

The third direct and/or implicit criticism of social enterprise is that their leaders are, in some sense, 'hobbyists' or 'amateurs'. This position arises, we feel, from an assumption that 'social objectives' are regarded as being of lesser value than 'economic objectives' in *any organisation* which seeks to undertake activity on behalf of public sector organisations. It may be the case that public sector stakeholders arrive at such a view because their own organisations make a strong ownership claim over 'big picture' social issues and doubt the legitimacy of other organisations making similar claims. The fact that many third sector organisations deal with discrete issues may reinforce such a view of amateurism or hobbyism. This is because their clearly focused work in particular areas of need may appear to limit their ability or willingness to take a broader view – as is required of the public sector.

Public sector stakeholders were well aware of government pressure to engage more closely with the third sector in general and social enterprise in particular in the delivery of public services. The question we wished to raise with them, was how they felt they could best address the presumed shortcomings of social enterprises in order to increase the volume of work they passed on to them. Public sector stakeholders strongly emphasised the importance of providing business support, through training, to encourage the development of a more businesslike orientation. Particular attention, they felt, should be applied to skills development in meeting contractual obligations, finance, legal issues, personnel and employment policy, business confidence building, risk taking and marketing. It is a moot point, of course, to ask whether the public sector was yet in a position (in both political and practical terms) to provide the kind of support the social enterprise sector required. We did not explore this directly in the present study, but in a related study on skills development, the evidence suggests that both private sector and third sector organisations were sceptical about the willingness and capacity of the public sector to provide support.



That said, it was equally evident that private and third sector organisations often failed fully to invest time and resource in their own skill needs: particularly so at management level (Chapman *et al.*, 2006b).

The emphasis on training needs was underscored by a range of comments on the current situation in the sector. Stakeholders argued, for example, that leaders of social enterprises '*...think they don't need it*'. In one case it was argued that: '*they think it's enough just to be passionate so they don't have to do training*'. In another it was claimed that '*management boards need training on taking risks*' in order to wean organisations from grant funding. Furthermore, stakeholders were sceptical of the ability of social enterprises to overcome barriers to training, as the following comments suggest: '*they don't know where to look for help: time, funding, culture, business planning, they don't think they need it, [it is because they have] a lack of capacity [and have] a fear of accessing face-to-face support*'.

Stakeholders recognised that social enterprises are financed from a variety of sources and were clearly aware that changes in government policy on procurement and projected reduction in European funding would have significant impacts on the sector (Community Foundation, 2004). But rather than focusing on how to encourage social enterprises to move from grant funding to contract funding, they tended to concentrate attention on what they perceived as the intractable problems caused by an endemic organisational bias against business practice. As one stakeholder argued '*contracts are transparent with clear expectations; this is dangerous as the sector don't understand issues like evaluation and monitoring. They fail to plan or have exit strategies*'. Weakness in strategic planning was recognised by most respondents. Its prevalence was explained by one respondent by stating that '*funding regimes restrict innovation and foresight*' whilst others pointed to a '*lack of understanding in relation to planning on behalf of the social enterprise*'.

It has already been shown that most social enterprises do not approach conventional business support services for assistance but draw on other sources of support. Stakeholders were aware of this and attempted to explain the situation by emphasising differences in the value systems of social enterprises in contrast with SMEs. In one case, it was argued that social enterprises '*don't trust those support organisations, [they] feel Business Link advisors have a lack of knowledge of their sector*.' Another stated that '*staff and Boards can be resistant to people imparting their knowledge on them, [they] feel it is not relevant*'. Interestingly, many respondents recognised that such attitudes were justified to some extent, as one respondent stated '*...the advisors need to learn the language and ethics of social enterprises*.' Others stated that social enterprises were more likely to look to agencies which better understood their value systems. As one respondent commented: '*...other organisations, such as Council for Voluntary Services and the Rural Community Council are seen as [their] trainers, therefore it's hard for people to go to Business Link. It's about who you know and informal networks*'.

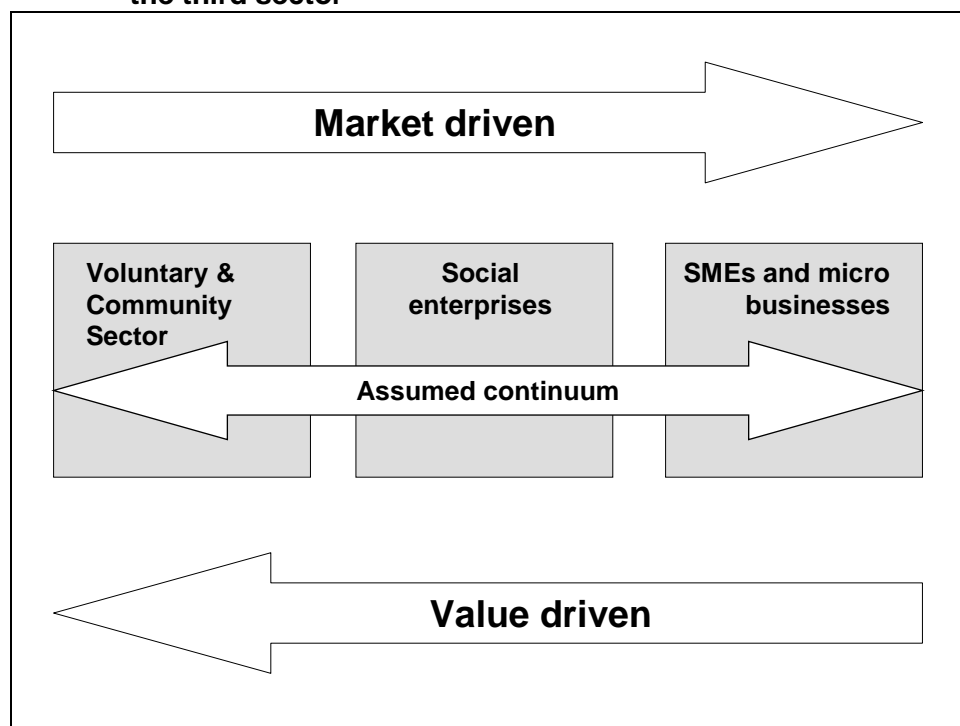
There was a good deal of suspicion amongst public sector stakeholders of the advantages of increasing levels of representation of the social enterprise sector in, for example, Local Strategic Partnerships. This is ironic in the sense that on one hand, stakeholders wished social enterprises to distance themselves to some extent from the voluntary and community sector and to become more businesslike. Whilst on the other, they made a strong claim that their needs were already dealt with through a close association with the voluntary sector. About a half of respondents were sceptical of the need for further representation. Indeed one felt that the sector was already over represented and asked the question: '*What is their claim? Why are*

*they different and therefore why should they be treated and represented differently?’* The remainder argued that social enterprises did need an independent representative body because their operational orientation to trading goods or services was different from other parts of the third sector.

## DISCUSSION AND CONCLUSIONS

Our evidence suggests that key stakeholders in the public sector assume that there is a value continuum between the voluntary and community sector, through the social enterprise sector, to the small and medium enterprise (SME) sector. This point is illustrated diagrammatically in Exhibit 2. In one direction (running towards the conventional business sector) it is assumed that the closer an organisation is to SMEs, the greater the likelihood that its driving force is the profit motive. Running in the opposite direction, the assumption is that the closer an organisation is to the voluntary and community sector, the more likely that it will be driven by its social values.

Exhibit 2: **Diagrammatical representation of commonly held assumptions about the relationship between value and market orientation in the third sector**

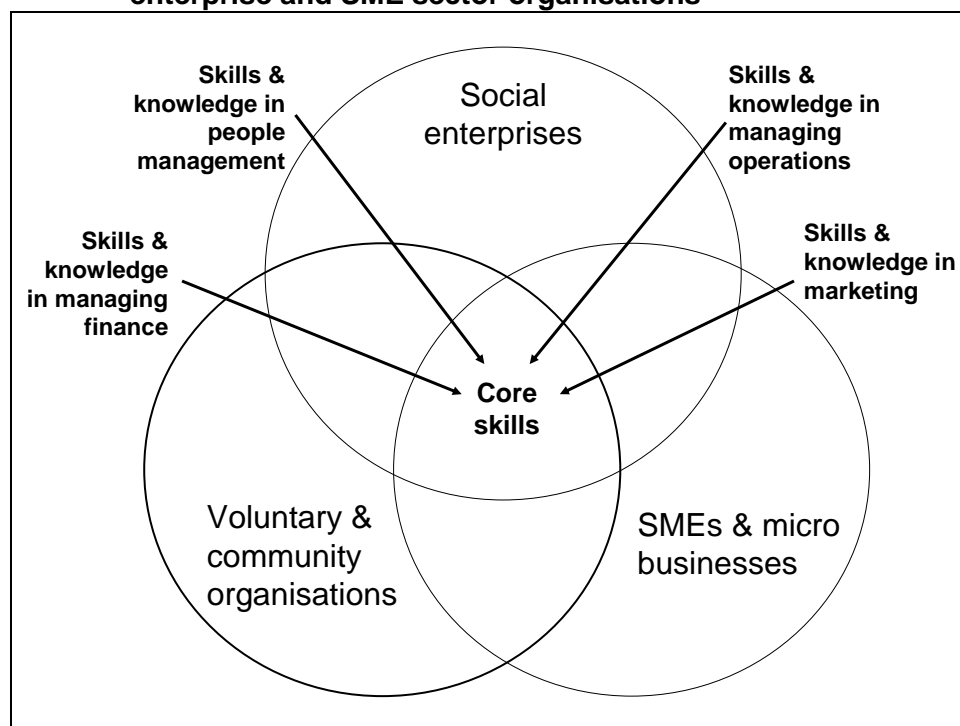


While we have shown that this ‘continuum model’ is a commonly accepted way of thinking about the relationship between the sectors, it is largely unhelpful to the project of understanding how the sectors actually interrelate. In particular, we argue that the emphasis on two separate sets of value systems (one profit driven, one socially driven), may distract attention from the similarities which exist across organisational types. For example, owners of SMEs may not be driven solely by the profit motive. Instead they may be driven by a number of alternative motivators: for example, the creative process associated with the product or service they offer, the desire to control their own working environment, a strong impetus not to work for somebody else, and so on. At the other end of the spectrum, many voluntary sector organisations are characterised by their vigorous approach to enterprise. Their

managers may not benefit personally in financial terms from such activity, but they are, nevertheless, extremely tenacious when pursuing market opportunities. In short, it is argued here that value systems are important, but they impact in unpredictable ways, and further, that they are not the only factors which affect the way that organisations work.

Setting aside the value position of organisations for a moment, it must be stated that all successful organisations need to develop a set of skills and knowledge to be able to perform functions efficiently. This being the case, we favour the adoption of a concentric circle model (as shown in Exhibit 3) which demonstrates that at the core of VCOs, social enterprises and SMEs there exists a set of key skills and support needs which facilitate the successful and sustainable running of their organisations. That said, it is also recognised that the value position of the leaders of social enterprises may lead them to look in different directions to gain the support they need to develop these skills. Some of this support may be gained from voluntary sector providers whilst other support may come from the conventional business support sector. Once this is achieved, then the sector will be in a position to realise fully its potential.

**Exhibit 3 Common business skill requirements of voluntary, social enterprise and SME sector organisations**



As shown in Exhibit 4, while the value systems of organisational leaders in the voluntary and community sector, social enterprise sector and SME sectors may differ markedly in certain respects, it is clear that all organisations need to manage people, finance, marketing and operations successfully if they are to be sustainable. A potential problem for the social enterprise sector is that the perceptions of key stakeholders in the public sector (who may fund training, support or procurement opportunities) may lead them to direct social enterprises away from some forms of support which would suit them best. This assertion requires further research, however.

From our research on the social enterprise sector in Tees Valley, it is clear that there is potential for further growth. As such it offers many opportunities for the stimulation and development of a diverse and dynamic economy, especially in multiply-deprived areas which are currently static, moribund or in decline. There is much evidence to show that locally-based social enterprises are “close to the customer”, responsive to changing needs and astute at identifying gaps in the market. However, providing assistance for the development of social enterprises will continue to be a challenge for support organisations as long as public sector stakeholders fail fully to understand the sector’s needs and thereby reproduce a lack trust in its capabilities. It is clear that any proposed interventions that threaten the underlying values of the organisations would be unlikely to succeed. Thus, providers who enter the sector to “broker” the changes will need to demonstrate empathy with its diverse value systems.

We conclude that it is possible for social enterprises to achieve a balance between being market led and value driven. But this is contingent upon the establishment of robust internal organisational structures and processes. And further, that external support organisations recognise that, despite some similarities with other third sector organisations and SMEs, social enterprises also have distinctive features and diverse objectives and therefore require different types of support.

**Exhibit 4 Sources of business support for social enterprise**

Training and development opportunities open to the voluntary and community organisations	<b>Social Enterprises core skills needs</b>	Training and development opportunities open to small and medium enterprises
<ul style="list-style-type: none"> <li>• Managing steering groups</li> <li>• Managing volunteers</li> <li>• Equal opportunities / diversity</li> <li>• Training</li> </ul>	<b>Managing People</b>	<ul style="list-style-type: none"> <li>• Personnel and recruitment practices</li> <li>• Employment law</li> <li>• Staff training and development</li> </ul>
<ul style="list-style-type: none"> <li>• Fundraising</li> <li>• Applications for grants</li> <li>• project management</li> </ul>	<b>Managing Finance</b>	<ul style="list-style-type: none"> <li>• Financial planning</li> <li>• Accounting</li> <li>• Business planning</li> </ul>
<ul style="list-style-type: none"> <li>• Profile raising</li> <li>• Building and maintaining relationships and networks</li> </ul>	<b>Managing marketing</b>	<ul style="list-style-type: none"> <li>• Marketing planning</li> <li>• Market research</li> <li>• Customer care</li> </ul>
<ul style="list-style-type: none"> <li>• Service level agreements</li> <li>• Public sector procurement</li> <li>• Charities legal framework</li> </ul>	<b>Managing Operations</b>	<ul style="list-style-type: none"> <li>• Business planning</li> <li>• Information and communication technology</li> </ul>

## END NOTE

By 'states of disadvantage' Billis and Harris (1996) recognise that people are affected by many different factors that disadvantage them including financial (no market power), personal (less well equipped to articulate preferences), societal (stigma) and community (breakdown of civil structures).

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